

RAG

2/22/2005
CIP SUBCOMMITTEE
MEETING MINUTES

**City of Milpitas
CIP Subcommittee Meeting**

Meeting Notes

Tuesday, February 22, 2005

Call to Order: Council Member Polanski called the meeting to order at 7:15 p.m.

Attendance: *City Council:* Mayor Jose Esteves, Council Member Althea Polanski
 Staff: Greg Armendariz, Emma Karlen, Mark Rogge, Doug DeVries, Michael Boitnott, Kathleen Yurchak
 Arts Commission: Bill Foulk, Mareile-Angy Ogle, Harriet McGuire
 Citizen: Julie Cherry, Larry Voellger

1. Discussion and Recommendations: Public Arts Funding Policy:

- At the last Council Meeting, City Staff presented a recommendation to the Council to clarify the Art policy.
- There has been a lot of work put into the policy today. There are great opportunities to include arts in the new Midtown projects, the Library, and Senior Housing.
- Council directed Staff to bring the discussion regarding Public Arts to the CIP, Finance and Arts Commissions.
- This presentation will be given to the different commissions and comments will be reported back to City Council at the meeting of March 15, 2005.
- Arts Policy funding refined to include the following:
 - Projects include new buildings and large projects which are the New Library, New Midtown, etc.
 - CIP Categories to include Community Improvement and selected parks and street projects
- The typical funding sources include Redevelopment Agency, General Fund, and unrestricted Park Fund.
- Art Funding is determined by the CIP projects expenditure, this is another area of non-restricted funding sources. Council asked staff to look into the five funding groups, Community Improvement, Parks, Street, Water and Sewer, for resources.
- Water and Sewer are restricted funding sources: City Attorney determined that due to the restrictions, City is required to expend those funds on utilities for maintenance or new Capital Improvement Projects only.
- The Street Fund is primarily funded by the Gas Tax. State provides the City of Milpitas with a share of one million dollars per year of Gas Tax revenue. However, these Gas Tax funds restrict the Street Fund to be used for road improvements and will not qualify for funding Arts.
- The Park Project has project dedication fee provided by developer, residential homes builders. In many cases, the Park funds are also restricted. They are for projects that influence the areas of residential homes, however, not all Park funds are restricted. We want to look at the non-restricted Park funds and use it for Public Art funding.

- Community Improvements are funded by the Redevelopment Agency.
- There are some grants provided for projects, the use of the grants is restricted for the given projects. Because of this, we will not be able to tap into the funding sources.
- The large infrastructure projects to be included are Midtown, BART, Expressways and Interchanges. The Finance Director estimated that \$80 million over the next four years will be used for infrastructure and public building, that would include the Library, Abel Street, Main Street, Senior Housing, etc.
- Mr. Voellger related that he believes that there is a pool of money for art, not a percentage, going to the Library and the percentage going toward the Midtown projects.
- Mayor Esteves responded to Mr. Voellger's question by stating that the intent of the pool of money is for the Art Commission and other Commissions to decide which areas of Milpitas would need Art. This is the way of funding Public Art as a whole, not necessarily assigning Public Art projects.
- Council Member Polanski agreed with the Mayor Esteves and stated that \$125,000 per year was to be placed in the pool for projects throughout the City. That was Council Member Polanski's understanding of the fund.
- Mr. Armendariz, clarified that the Library funding at \$39 million does not, in itself, have the 1.5%, the \$39 million is the base formula used for calculating on how much money is needed to be funded.
- Ms. Karlen had a chance to look at other Cities' Art Policy. Some cities include the Art Policy as a part of the construction phase, but not for the whole project. For example, the Milpitas Library project, the \$39 million is not all for construction. It is for project management, environmental studies, etc.
- Ms. Julie Cherry – The more restrictions, rules, and guidelines around the policy, the more likely that the policy will not live long. She recommended to keep the policy simple: 1.5% non-restricted funds goes toward Public Art.
- Ms. Karlen believes that it is important to layout policies from the beginning to define the use of the funds for the benefit of the future.
- Mr. Rogge stated that we want to make sure that major projects like the Library do get Art funding. There needs to be a balance of where the funding of Public Art goes.
- Mr. Voellger does not want the project to represent the art. He does not want the misuse of the 1.5% Art fund. For example, using the Art fund to purchase streetlights and stating that it is Art.
- Council Member Polanski - We need to brainstorm ideas, this subcommittee is making recommendations to City Council.
- Mr. Foulk – wants to make sure that 1.5% for the Library will be going to Public Art.
- Mayor Esteves- To address the spending of the fund, the Public Arts Commission was created to help make the major decisions on where and when to spend the money.
- The master plan is to create the implementation process for the Art. The CIP will determine the funding level. Implementation plan will take on

after.

- Ms. Karlen - Actual Expenditure is clearer than the program budget.
- Mr. Armendariz – Construction vs. whole project, do we want to keep it simple? Example: Do we want to fund the whole \$39 million or the \$22 million for construction of the Library?
- For the large projects, for example the Library, construction funding is between 50% to 60% of the total estimate budget.
- Mr. Rogge - some of the Library projects include Property Acquisition. We wouldn't know the price of it until after negotiations. Property Acquisition can be large with regards to the Midtown projects.
- Mayor Esteves - when do we include land in the CIP budget?
- Mr. Armendariz - the Library \$39 million budget does not include land.
- Council Member Polanski agreed that Property Acquisition is very complicated, even for the City Council, maybe it should come out.
- Mayor Esteves – when we do accounting on projects, is the land or property part of the whole project cost?
- Ms. Karlen – It could be if the land is used for project improvement. Then it is part of the cost that we can capture.
- Mr. Armendariz – An idea is to not just define it as construction phase but for design and management to be used in the Capital Improvement Projects, excluding land.
- Mayor Esteves and Council Member Polanski agree with Mr. Armendariz.
- Staff understood the Council's direction to exclude the Utility projects, Street Project identify are BART and there is some contribution by the City toward the project, we just don't know yet what that level will be. The fund is what the City contribution is and not the total project because it is a \$4 billion project.

2. Review projects to be closed at the end of the fiscal year:

- Projects closing by the end of the year are;
 - Community Improvements: Milpitas Library Predesign, Civic Center (every 5 years refinishing), Milpitas Sports Center, Police / Public Works Building Modifications, Senior Center Renovation, Refinish City Garage Floor, Interim Senior Center Project and the Main Street Precise Plan and Streetscape Study.
 - Parks: Dog Park, 2000 State Park Bond, and Selwyn Park.
 - Streets: Montague Expressway, Pavement Improvement Program, Calaveras/Piedmont-Evans Interchanged, and Traffic Signal at Barber Lane.
 - Cathodic protection for water is complete.
 - Sewer and Storm Drain: Projects for completion include San Jose Parallel Forcemain, Wet Weather Sewer Flow Monitoring, Manor Storm Pump Station Backup and the Manor Pump Station.
- In the beginning, there is \$15.9 million in CIP priorities in Midtown, annual infrastructure, and Parks & Recreation. We are on track with the progress to date toward the Library, garage and other midtown improvements.
- Mr. Armendariz presented a graph to show the CIP progress report.
- Right now we are ahead of our goal but we have until June.

3. Review proposed funding for FY 05-06:

- Greg provided the list of current projects by department. It is to provide the committee an awareness of the funding for next year. At the next CIP Subcommittee, we can present a budget for these various projects and look at the available funding.
- The Range Lead Containment is \$200,000 project; it is to collect all the lead of the bullets at the Shooting Range.
- Public Works Security is a major project in the \$100,000 range is to provide security for our Public Works Facility. The cost includes security, alarm system and re-keying our Public Works and Police Facility.
- Mr. Amendariz provided Committee a list of the Street projects for FY05-06 funding.
- The Library and Senior Center project use part of the Bond funding that has already been mapped out for the Council. We need to spend the RDA funding wisely.
- Most of the improvement fund is currently provided by the Redevelopment Agency. The annual RDA fund revenue is \$25 million, which includes \$5 million for low-income housings. Our debt service is \$13 million, this year we have to pay the State \$3 million. We are spending more than what we are taking in. The hope is the tax from the new housing development will bring in revenue in a few years.

4. Review new projects for FY's 05-10:

- No Questions

5. Other Business:

- None

6. Schedule Next Meeting:

- Tuesday, March 22nd at 7:15 p.m.

2/28/2005
ARTS COMMISSION
MEETING MINUTES

CITY OF MILPITAS
ARTS COMMISSION
UNAPPROVED MINUTES

Minutes: Meeting of the Arts Commission (AC)
Date of Meeting: Monday, February 28, 2005
Place of Meeting: Milpitas City Hall, 455 E. Calaveras Blvd. Committee Conference Room

I. Call to Order The Chair called the meeting to order at 7:00 p.m.

II. Flag Salute The Chair led the Commission in the Pledge of Allegiance

III. Roll Call Commissioners Present: Ettinger, Foulk, Hicks, Ogle, and Alternates McGuire and Butler

Commissioners Absent: Gupta, Hays, Rabe

City Staff Present: Recreation Services Supervisor, Kathleen Yurchak, Community Enrichment Coordinator, Renee Lorentzen, Finance Director, Emma Karlen, City Engineer, Greg Armendariz, Principal Engineer, Mark Rogge

City Council Liaison Present: Council Member Debbie Giordano

Guests: Julie Cherry	Larry Voellger	Kim Singh
2319 Lacey Dr.	689 Cardiff Pl.	2063 Frank Ct.
Milpitas, CA	Milpitas, CA	Milpitas, CA 95035

IV. Seating of Alternates

The Chair sat Alternates McGuire and Butler in Commissioners Hays' and Commissioner Rabe's absence.

V. Approval of Agenda **MOTION** to approve the Agenda of February 28, 2005.
M/S: Hicks/Ogle Ayes: All

VI. Approval of Minutes **MOTION** to approve the Minutes of January 24, 2005.
M/S: Ettinger/Hicks Ayes: All

MOTION to approve the Minutes of January 29, 2005.
M/S: Ettinger/Hicks Ayes: All

VII. Citizen's Forum

No members from the audience wished to speak.

VIII. Announcements/Correspondence

None

City of Milpitas
Arts Commission
Unapproved Minutes

IX. Old Business

1. Public Arts Funding Policy

City Engineer, Greg Armendariz and Finance Director, Emma Karlen, presented the Commission with an overview of the Public Arts Funding Policy as it is going to be presented to City Council. It was explained that funding for Public Art in Milpitas would be calculated through CIP expenditures from non-restricted funding sources. Staff will identify those CIP projects that have no restrictions and apply the 1.5% formula. Chairperson Bilk Foulk asked if the 1.5% would be applicable to projects that are funded by numerous sources and would the 1.5% be applied to the total project budget or strictly the City's contribution, for example, previous VTA station art installations.

City Engineer, Armendariz, answered that on projects funded by various sources, the 1.5% would be applied strictly to non-restricted City CIP expenditures. Finance Director, Emma Karlen, added that RDA funds or City funds would be eligible for the 1.5%, no grant monies, as they are restricted. City Engineer, Armendariz, stated that any acquiring of right of way or land acquisition is not eligible. Also, any maintenance or operations projects are excluded unless it is an enhancement to an existing structure. Finance Director, Karlen, informed the Commission that this proposal would be reviewed at the Finance Subcommittee meeting and would then be presented to City Council.

Council Member Giordano asked where the annual \$125,000.00, beyond the 1.5%, would be coming from. Finance Director, Karlen answered that the Redevelopment Agency would be funding those monies.

Julie Cherry, Milpitas Alliance for the Arts, wanted to clarify, that monies collected from the policy, would be governed by the Public Art Committee (PAC). The budget and placement of art is determinant by the project from which the 1.5% is applied. Finance Director, Karlen, confirmed, and stated that when the PAC wanted to contract or use money for public art, they would still need to go through the public process for payment. Council Member Giordano asked who would bear the responsibility of choosing the art. Recreation Services Supervisor, Yurchak answered that PAC is the governing body, which would consist of the Milpitas Arts Commission and two members from the Milpitas Alliance for the Arts. Larry Voellger suggested that the language used to describe what projects are eligible for the 1.5% be very concise, so there is no room for "picking and choosing" projects later on in the process.

Council Member, Giordano, asked who would be maintaining the art after it is installed. Staff answered that City Parks or Maintenance staff would maintain and clean the art. Staff suggested that when PAC reviews a piece of art to consider into its purchase price, a budget for maintenance also be considered. Julie Cherry suggested that the artist of any art purchased, supply directions on how to clean and maintain the piece.

City Engineer, Armendariz, stated that if the Commission, approves this *Funding Policy it will go to the Finance Subcommittee and then to City Council* for approval.

MOTION to approve the Public Art Funding Policy as recommended.

M/S: Hicks/Ogle

Ayes: All

City of Milpitas
Arts Commission
Unapproved Minutes

**3/2/2005
FINANCE
SUBOMMITTEE
MEETING MINUTES**

CITY OF MILPITAS
FINANCE SUBCOMMITTEE
Wednesday, March 2, 2005, 4:00 p.m.

Meeting Notes

1. Call to Order: Vice Mayor Gomez called the meeting to order at 4:08 p.m.

Attendance: City Council: Vice Mayor Armando Gomez, Council Member Debbie Giordano
Staff: Mark Rogge, Emma Karlen, Jane Corpus, Rosemary Beltran, Kathleen Yurchak
Arts Commission: Mareile Ogle
2. Citizen's Forum: No member from the audience wished to speak.
3. Discussion/Recommendations – Public Arts Funding Policy
 - The same Powerpoint presentation that was presented to the CIP Subcommittee and Arts Commission was presented to the Finance Subcommittee.
 - Discussion started on what types of CIP projects that the 1.5% formula should apply to.
 - Staff mentioned that the CIP Subcommittee and Arts Commission agreed that the 1.5% formula would apply to major public building or infrastructure projects that are funded by the City or Redevelopment Agency.
 - If a project is funded with multiple funding sources, the 1.5% formula should only apply to the portion that is contributed by the City, e.g BART project.
 - If the funding source of a CIP is restricted, e.g. gas tax, grant, park fees paid by developer for specified projects or utility funds, then the CIP would not be eligible for the 1.5% formula application.
 - Staff mentioned that the Arts Commission further agreed that the Public Arts Fund would provide special maintenance for public arts. The Public Art Committee would include maintenance budget in their annual plan.
 - Discussion on whether all phases of the CIP project costs would be included in the calculation except for property acquisition. Staff mentioned that there are cities that include construction costs only. Vice Mayor Gomez asked what would be the impact of including construction costs only. Staff indicated that construction costs are typically 50-60% of the total project costs and the public arts funding would be reduced by half.
 - Vice Mayor Gomez indicated that he would agree to all phases of the CIP project (except property acquisition) but inquired about the definition of large public building and infrastructure projects. Staff indicated that large projects are defined as projects that are new or enhance existing structure. Projects that are repair and maintenance in nature would not be included in the calculation.

- Julie Cherry from the audience stated that it is important to keep the definition simple so that it would not be subject to interpretation in the future.
 - Vice Mayor Gomez asked about the use of Public Arts Fund for staff time. Staff indicated that the location of public arts, signage, installation as well as procurement procedures would require staff time. Even though the Public Arts Fund is a pooled fund, by setting up a separate CIP project if necessary would be the best way to track staff time.
 - Staff mentioned that the Master Plan would still need to be worked on and brought back to the City Council for approval. Larry Voellger from the audience mentioned both Julie Cherry and he had experience in this area and did not recommend hiring a consultant at this point.
 - Vice Mayor recommended looking at a cap for large projects. Larry Voellger mentioned that very few cities have a minimum. Staff mentioned that some local cities e.g. City of Mountain View has a \$1 million minimum. Julie Cherry did not want to change the bottom line too much.
 - Council Member Giordano asked staff to look at the chart to see how it affected the bottom line. It was determined that by excluding projects that are \$1 million or under, the funding for FY05-06 would be \$12,000 less. Staff mentioned that the building improvements project should not be included in the first place as the project is actually for repairs and maintenance of various City buildings.
4. Other Business
- Staff inquired what other issues the subcommittee would like to discuss in future meetings.
 - Vice Mayor Gomez indicated that he would send work plan for the subcommittee.
5. Schedule Next Meeting
- April 6, 2005 at 4 p.m.